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SIPDIS

SENSITIVE

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SUBJECT: GOVERNMENT RESHUFFLE PUTS KOCHARIAN LOYALISTS
IN KEY ADMINISTRATIVE, LEGISLATIVE POSITIONS

REFTEL A) YEREVAN 656 B) YEREVAN 449

1. (U) Sensitive but unclassified. Please protect accordingly.

SUMMARY

2. (SBU) The government shuffled a number of key high- and mid-level executive and judicial appointments in late March, placing Kocharian loyalists in the majority of the spots. Some of the most important moves included the appointment of a new regional governor in Armenia's southern Syunik province, several judges, and a range of mid-level police officials. The changes also affected three governmental positions, the chiefs of the State Committee on Water Management, State Property Management and Emergency Management. Some analysts point to the reshuffle as Kocharian's latest move to strengthen GOAM offices with loyalists in advance of the opposition's planned "hot political spring" rallies and demonstrations. Others, however, view the appointments simply as the inevitable payoff for supporting Kocharian during the 2003 Presidential elections.

CHANGES IN SYUNIK PROVINCE

3. (SBU) The government named Suren Khachatrian, (aka "Liska") as the new governor of Armenia's southern Syunik province. Khachatrian, a 47-year-old former auto mechanic and two-term parliamentarian, has close ties with the Prime Minister's Republican Party. He gained political prominence during Armenian military actions in Nagorno-Karabakh in 1992-94, when he served as a commander of paramilitary and army units in his native town of Goris. Since then the Khachatrian family has gained control over the local Syunik administration and a host of businesses. Some claim that the Khachatrian family considers the province to be their de facto personal fiefdom.

4. (SBU) Media reports have linked Khachatrian to violent incidents reported in Goris since 1996. The most recent rumor involved Khachatrian's two nephews, who are currently facing criminal charges for murdering a local man in early March. With this new appointment, "Liska" will give up his parliamentary mandate. (Note: An opposition newspaper recently suggested a campaign to nominate "Liska" to the Guinness Book of World Records for "not uttering a single word during his eight years in parliament." End Note.) The Central Election Commission (CEC) will announce the date of the parliamentary by-election in Goris in early April.

LAW ENFORCEMENT AND JUDICIAL CHANGES

5. (SBU) The Kocharian administration announced the dismissal of eight judges and four procurators (most of whom serve in communities in Yerevan) in late March. Almost simultaneously the government unveiled a plan to reshuffle the mid-level ranks of the National Police force. These moves followed the replacement of the Procurator General by his most influential deputy, Aghvan Hovsepian, on March 17 (ref A). Most of the newly appointed judicial and law enforcement officials have ties to Kocharian. (Note: Some of the new judicial appointees were in charge of criminal investigation of the October 27, 1999 shootings in the Armenian National Assembly. End Note.)

CONTROVERSIAL REMOVAL OF CHIEF WATER MANAGER

6. (SBU) Prime Minister Andranik Margarian removed

Gagik Martirosian as the Head of the State Committee on Water Management, and appointed him as an advisor in the Prime Minister's office on March 23. (Note: this new position is little more than a ceremonial function, and represents a clear demotion in terms of influence within the government. End Note.) Martirosian, a former Minister of Energy and Infrastructure, enjoyed a reputation as one of the most able professionals in the GOAM thanks to improvements in Yerevan's water supply and fee-collections for water-related services. He faced sharp criticism, however, during a recent government tour of rural areas over the GOAM's irrigation policy. Members of both the opposition and the ARF Dashnaktsutyun (part of the governing coalition) party decried the decision to replace him. They claimed the move was retribution for Martirosian's recent criticism of certain local government leaders as "corrupt and deficient." Some speculate that pointing to his failure to garner GOAM support during the rural visits was merely a ruse to facilitate his removal and replace him with a more compliant Kocharian supporter.

DEPUTY MINISTER OF EDUCATION, CHIEF OF STATE PROPERTY

17. (SBU) Former chairman of Armenia's Central Election Commission (CEC) Artak Sahradian was named Deputy Minister of Education on March 15, nearly a year after he left his earlier post in the CEC following the 2003 presidential and parliamentary elections. Some analysts speculate that Sahradian's "second coming" as deputy minister was a long-awaited reward for his "exemplary behavior" during the 2003 elections. Almost simultaneously, former Prime Ministerial Deputy Chief of Staff Karine Kirakossian replaced David Vardanian as the Chief of Armenia's Committee of State Property Management (an agency responsible for privatization programs in the country). Even the opposition has praised Kirakossian, the least closely tied to Kocharian, as a good choice for the privatization posting owing to her professionalism and experience.

EMERGENCY MANAGEMENT

18. (SBU) The government appointed another Kocharian loyalist and former Governor of Syunik province Edward Barseghian to head the Emergency Management Department. A former chief of traffic police, Barseghian governed Syunik province for six years, from 1998 to 2004, and his province boasted the highest vote cast for Kocharian in both the 1998 and 2003 presidential elections.

COMMENT

19. (SBU) Appointing Kocharian loyalists to these judicial and administrative postings is interesting if only because of the reshuffle's timing. None of these slots was scheduled for a personnel change nor were there any apparent problems with the way the incumbents were handling their jobs. With Kocharian adopting a more defensive posture in advance of what the opposition predicts will be a "Hot Political Spring" (ref B), these appointments appear to be carefully synchronized and designed to strengthen the president's ranks as Armenia moves into an unpredictable April.
WALKER